



1997 SENATE BILL 260

July 15, 1997 - Introduced by Senators MOEN, BURKE, JAUCH, DECKER, CLAUSING, PLACHE, WINEKE and WIRCH, cosponsored by Representatives MEYER, RILEY, TURNER, ALBERS, BOYLE, BOCK, KRUG, SPRINGER, NOTESTEIN, LA FAVE, J. LEHMAN, GRONEMUS, BLACK, BAUMGART, STASKUNAS, HASENOHRL, PLOUFF and MURAT. Referred to Committee on Health, Human Services, Aging, Corrections, Veterans and Military Affairs.

1 **AN ACT to amend** 303.01 (2) (em); and **to create** 303.01 (5m) and 303.01 (11) of
2 the statutes; **relating to:** the operation of private businesses in state prisons.

Analysis by the Legislative Reference Bureau

Under current law, the department of corrections (DOC) is authorized to lease space and equipment in the state prisons to 3 private businesses who will employ inmates or residents to manufacture products or components or provide services for sale on the open market. This bill provides that no private business may operate under this DOC program if any of the following occur:

1. The private business employs prison inmates or institution residents in skills, crafts or trades in which there exists a surplus of available gainful labor in the locality in which the prison inmates or institution residents are to perform the skills, crafts or trades.

2. The manufacturing, production or other work-related functions of the employes of the private business who are not prison inmates or institution residents are reduced as a result of the employment of prison inmates or institution residents.

3. The wages or fringe benefits of the employes of the private business who are not prison inmates or institution residents are reduced as a result of the employment of prison inmates or institution residents.

4. The employment of prison inmates or institution residents impairs a collective bargaining agreement covering employes of the private business who are not prison inmates or institution residents.

5. The private business employs prison inmates or institution residents to perform manufacturing, production or other work-related functions that can be

SENATE BILL 260

performed by employees of the private business who have been laid off by the private business.

6. The private business employs prison inmates or institution residents in lieu of employing persons who are not prison inmates or institution residents.

7. The employment of prison inmates or institution residents restricts the promotional opportunities of employees of the private business who are not prison inmates or institution residents.

Under the bill, if DOC determines that any of the results specified in items 1. to 7. have occurred, the private business must immediately cease its operations under the program.

The bill also provides that DOC may not enter into a contract to purchase or lease equipment that has a value of \$10,000 or more for use under the DOC program (as well as the entire prison industries program) without the approval of the joint committee on finance and requires any private business that conducts operations under the DOC program to report quarterly to the joint committee on finance on the number of persons it employs who are not prison inmates or institution residents.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 303.01 (2) (em) of the statutes is amended to read:

2 303.01 (2) (em) Lease space, with or without equipment, within the precincts
3 of state prisons, as specified in s. 302.02, or within the confines of correctional
4 institutions operated by the department for holding in secure custody persons
5 adjudged delinquent, to not more than 3 private businesses to employ prison inmates
6 and institution residents to manufacture products or components or to provide
7 services for sale on the open market. The department shall comply with s. 16.75 in
8 selecting businesses under this paragraph. The department may select a business
9 or enter into a lease under this paragraph only with the approval of the joint
10 committee on finance. The department shall consult with appropriate trade
11 organizations and labor unions prior to issuing requests for proposals and prior to
12 selecting proposals under this paragraph. Each such private business may conduct

SENATE BILL 260

1 its operations as a private business, subject to the wage standards under sub. (4), the
2 disposition of earnings under sub. (8), the displacement and reporting requirements
3 under sub. (5m), the requirements for notification and hearing under sub. (1) (c), the
4 requirement for prison industries board approval under s. 303.015 (1) (b) and the
5 authority of the department to maintain security and control in its institutions. The
6 private business and its operations are not a prison industry. Inmates employed by
7 the private business are not subject to the requirements of inmates participating in
8 prison industries, except as provided in this paragraph;

9 **SECTION 2.** 303.01 (5m) of the statutes is created to read:

10 303.01 (**5m**) DISPLACEMENT. (a) No private business under sub. (2) (em) may
11 conduct operations under that subsection if any of the following occur:

12 1. The private business employs prison inmates or institution residents in
13 skills, crafts or trades in which there exists a surplus of available gainful labor in the
14 locality in which the prison inmates or institution residents are to perform the skills,
15 crafts or trades.

16 2. The manufacturing, production or other work-related functions of the
17 employes of the private business who are not prison inmates or institution residents
18 are reduced as a result of the employment of prison inmates or institution residents.

19 3. The wages or fringe benefits of the employes of the private business who are
20 not prison inmates or institution residents are reduced as a result of the employment
21 of prison inmates or institution residents.

22 4. The employment of prison inmates or institution residents impairs a
23 collective bargaining agreement covering employes of the private business who are
24 not prison inmates or institution residents.

